



**FIND LOCAL  
JOBS FAST.**  
[CLICK HERE](#)

With News & Classifieds From: **The Star-Ledger**

**Reach your local audience and get  
the attention your business deserves**

➔ **SEARCH**   **GO ➔** || **FIND A BUSINESS**

[Home](#) [News+Biz](#) [Local](#) [Sports](#) [Forums+Chat](#) [Cams+Radio](#) [Living](#) [Entertainment](#) [CLASS](#)

# Search

[Back To Your Search Results](#) | [Search Again](#)

**The Star-Ledger**

[Click here  
to subscribe!](#)

» [More From The Star Ledger](#)

## **Bush submits budget driven by war costs**

**Aid up for security, down for poor, with slight increase for New Jersey**

Tuesday, February 08, 2005

**BY J. SCOTT ORR AND ROBERT COHEN**  
**STAR-LEDGER WASHINGTON BUREAU**

WASHINGTON -- President Bush sent a "lean" \$2.57 trillion budget to Congress yesterday, calling for billions of new dollars for the Pentagon and homeland security while cutting spending for popular domestic programs, including farm subsidies and aid to the poor.

Overall federal aid for New Jersey would rise slightly, from \$8.67 billion this fiscal year to \$8.88 billion in fiscal 2006, the administration said.

"It is a budget that sets priorities," Bush told reporters in brief remarks at the start of his first Cabinet meeting of the year. "Our priorities are winning the war on terror, protecting our homeland, growing our economy. ... It's a budget that reduces and eliminates redundancy. It's a budget that is a lean budget."

Of the \$210 million increase for New Jersey, about half would go toward Medicaid, and the additional money for the health care program for close to 1 million poor and elderly New Jerseyans might not offset escalating costs.

The budget proposes small increases in transit and highway aid for New Jersey while eliminating all Amtrak operating subsidies. The state, facing its own budget crisis, would feel the pinch from proposed federal cuts in foster care, public housing, clean-water and some education programs, as well as static funding for welfare, children's health care and Head Start.

MORE SEARCHES

### **Classifieds**

- » [Jobs](#)
- » [Autos](#)
- » [Real Estate](#)
- » [All Classifieds](#)

### **Death Notices & Obituaries**

- » [Death Notices](#)
- » [Guest Books](#)
- » [News Obituaries](#)

### **Local Businesses**

- » [Find A Business](#)

### **Entertainment**

- » [Movies](#)
- » [Music](#)
- » [Arts & Events](#)
- » [Dining & Bars](#)

[SEND THIS PAGE](#)

[PRINT THIS PAGE](#)

▼ Advertisement

**Thousands of home  
seekers are searching**  
**We can help them find your property.**

[Click here](#) **The Star-Ledger** **nj.com**

**Get The E**  
[Jobs](#) | [Autos](#)  
[All Classifieds](#)

» [Shopping: Stores &](#)  
 » [Fun Guide: Things t](#)  
 » [Autos: Free price q](#)  
[vehicles](#)

[Set up a personal loc](#)

» **Advertise**

The overall national budget projects that the federal deficit for the current fiscal year, which runs through Sept. 30, will be a record \$427 billion. With estimated revenues of \$2.178 trillion and spending of \$2.568 trillion, the deficit for the upcoming 2006 fiscal year would be \$390 billion.

The budget estimates the deficit will drop to \$233 billion in 2009 and \$207 billion by 2010.

The budget projections are based on optimistic assumptions, including a period of economic growth that will spur a 6.1 percent increase in revenues.

But the budget plan does not include the billions of dollars associated with Bush's proposal to allow the shift of Social Security savings to individual retirement accounts, or substantial new spending for military operations in Iraq and Afghanistan.

Democrats were highly critical of the president's proposal.

Rep. Robert Menendez (D-13th Dist.), a member of the House Democratic leadership, said the budget is "just plain wrong for America."

"President Bush's budget adds more than \$4 trillion to the deficit in the next 10 years, while failing to include the cost of the war in Iraq, currently estimated at \$5 billion a month, (and) fails to address the trillions of dollars needed to follow through on his proposal to privatize Social Security," Menendez said.

Under the Bush budget plan, overall federal spending would increase 3.5 percent from the current budget.

Pentagon spending would increase 4.8 percent, to \$419.3 billion, while Homeland Security would get \$34.2 billion in discretionary funding -- a 6.8 percent increase from current levels -- on top of \$6.7 billion required by law.

The budget plan, however, would cut overall funding for discretionary programs by one-half of 1 percent while reducing or eliminating 150 programs.

Among the departments facing reductions: the Department of Agriculture, down 9.6 percent to \$19.4 billion; the Environmental Protection Agency, down 5.6 percent to \$7.6 billion; the Department of Labor, down 4.4 percent to \$11.5 billion; the Department of Energy, down 2 percent to \$23.4 billion; the Department of Transportation, down 1 percent to \$57.5 billion; and the Department of Education, down 1 percent to \$56 billion.

With the elimination of Amtrak's operating subsidy, the national railroad will receive just \$360 million for capital investment. Amtrak received \$1.2 billion this year in operating subsidies and capital funding.

The budget would make permanent the tax cuts approved during Bush's first term at a cost of \$1.1 trillion over 10 years and also extend business tax cuts costing \$73 billion over the same period.

It includes new tax cuts to encourage the use of health savings accounts and promote charitable giving and to help low-income families buy health insurance. But Bush would raise \$4.8 billion in new revenue by hiking airline passenger fees by as much as \$3 to cover the costs of increasing the budget for homeland security.

The budget also includes \$1.5 billion to boost high schools' performance, increase tuition grants for low-income college students and support community health clinics.

It also calls for spending \$33.4 billion for the Department of Veterans Affairs, a 2.7 percent increase over 2005.

But the president wants veterans who have the highest incomes and who do not have service-connected illnesses or injuries to pay a \$250 annual fee. He also proposes increasing prescription drug co-payments for those veterans to \$15 for a 30-day drug supply, up from \$7. More than 2 million veterans could be affected.

Bush acknowledged that his budget, particularly the large cuts in domestic spending, are likely to face resistance from lawmakers loath to cut programs and projects that benefit their home states.

"I fully understand that sometimes it's hard to eliminate a program that sounds good. But by getting people to focus on results, I'm saying to members of Congress, 'Show us the results as to whether or not this program is working,'" he said.

"After a while, we get tired of asking that question," Bush said. The administration, he said, will take resources from failing programs and "direct them to programs that are working. And that's what you'll find in the education budgets and the health budgets, for example."

In his budget message to Congress, Bush said, "In order to sustain our economic expansion, we must continue pro-growth policies and enforce even greater spending restraint across the federal government."

The president's annual budget proposal is a working document that marks the beginning of the budget process for the federal fiscal year that begins Oct. 1. It becomes the blueprint for appropriations bills that actually make the funds available for specific programs and projects.

Acting Gov. Richard J. Codey called the budget "bad for New Jersey," which faces its own \$4 billion budget shortfall.

"It slashes funds to Medicaid, Amtrak, education, housing programs, beach replenishment, clean water funds, veterans' benefits and other initiatives -- areas all important to New Jersey," Codey said.

Sen. Jon Corzine (D-N.J.) called it "bad for New Jersey families, bad for seniors, bad for children, bad for the environment, bad for veterans, bad for commuters and bad for first responders." He said the state would lose \$24 million for after-school programs, \$45 million for urban community development and \$13 million for beach replenishment.

Republicans, meanwhile, defended the spending plan, saying it makes tough decisions to help save money while funding critical needs like homeland defense and the war on terrorism.

"The president has proposed a tough budget for tough times," Rep. Rodney Frelinghuysen (R-11th Dist.) said. "His budget proposal meets our more pressing priorities: supporting our troops in the war against terrorism and doing whatever it takes to keep us safe here at home."

While the budget lacks details on funding for specific New Jersey highway, transit and flood control projects, it included \$101 million for the U.S. Army Corps of Engineers to dredge the 40-foot-deep New York-New Jersey harbor to a depth of 50 feet to accommodate new jumbo tankers and container ships.

Rep. Jim Saxton (R-3d Dist.) said the defense budget includes \$26 million for a logistics and training facility at the Lakehurst Naval Air Station to serve the New Jersey National Guard. McGuire Air Force Base would get \$13.8 million

for a new electrical system, and Fort Dix would receive \$1.5 million for a new National Guard and Reserve training facility.

Saxton said the funding is a positive sign for the New Jersey bases as the Pentagon gets ready for the next round of base closings.

**[The Best Local Classifieds:](#)** [Jobs](#) | [Autos](#) | [Real Estate](#) | [Place An Ad](#)



**Special Home Delivery Offers!**

[The Star-Ledger](#) | [The Times, Trenton](#) | [The Jersey Journal](#)  
[Gloucester Co. Times](#) | [The Express-Times](#)  
[Bridgeton News](#) | [Today's Sunbeam](#)

---

[About Us](#) | [Help/Feedback](#) | [Advertise With Us](#)

Use of this site constitutes acceptance of our [User Agreement](#). Please read our [Privacy Policy](#).  
© 2005 [NJ.com](#). All Rights Reserved.

